

TO DEBATE NEW TAX TO-DAY

**SENATE TO TURN FROM TARIFF
TO THE CORPORATIONS.**

ably Yesterday, Will Also Be Considered—Senators Hopeful That a Vote May Be Had by the End of the Week.

tion of the regular schedules of the tariff bill having been practically completed the Senate to-morrow will take up the corporation tax amendment submitted by the Committee on Finance. How long the debate will last is problematical.

but most Senators are hopeful that the discussion will be completed and a vote obtained by the end of the week. The debate will embrace not only the consideration of the corporation tax, but will involve argument in regard to the advisability of enacting an income tax law at the present session.

Senator Cummins of Iowa (Republican), joint author with Senator Bailey (Democrat) of the so-called Bailey-Cummins

amendment, which provides for a corporation tax and a tax on individual incomes, will open the debate to-morrow with a speech in which he will argue against the adoption of the Finance Committee's corporation tax amendment and advocate legislation providing for the assessment of an individual income tax and a corporation income tax.

Incidental to the debate the Senate will give consideration to a joint resolution submitted by the Republican leaders to-day providing means for having the several States pass on the question of amending the Constitution so that a tax on

individual incomes may be imposed without danger of having it declared null and void by the Supreme Court. The Joint resolution was prepared by Senator Root. It is as follows:

Be it resolved, by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of both Houses concurring):

That the following article is proposed as an amendment to the Constitution of the

United States which, when ratified by the Legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

Article XVI.—That Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among several States, and without regard to any census or enumeration.

When the joint resolution was presented Senator Aldrich smilingly asked that it be submitted to a vote without debate. He wanted immediate action, but Senator Borah, one of the Republicans who favor the adoption of an income tax without waiting for a constitutional amendment, made objection and the measure was over. The joint resolution was presented

in accordance with a plan of the Senate leaders to attempt to sidetrack the Bailey-Cummins amendment. The leaders are very hopeful that they will succeed in their effort to keep the Bailey-Cummins amendment out of the tariff bill, and there is every indication that they have behind them a majority of the Senate ready to vote for the Finance Committee's compromise amendment and against the

Some of the regular Republican Senators who are expected to vote for the corporation tax are talking about ways and means to obtain a postponement of this question until Congress reassembles for its regular session in December. Sen-

ator William Alden Smith of Michigan seems to be the leader of the movement, but he and those in sympathy with him apparently have not made any progress. Senator Aldrich and his lieutenants, who

are following the wishes of President Taft, have shown no disposition to abandon their insistence that the corporation tax amendment must be passed before the present extra session is adjourned.

There is no doubt, however, that this corporation tax proposal is extremely unpopular among the very Senators who will give it the strongest support. They would rather have this tax imposed than see victory perch on the standard of the

Democratic-Republican insurgent alliance which is seeking to obtain the adoption of the Bailey-Cummins amendment. But the unpopularity of the corporation tax (it seems to have no real friends; on either side of the Senate with the possible exception of Senator Jonathan Bourne of Oregon) is having some slight effect on the prospects of putting into the tariff bill the amendment for its imposition. Some of the Senators who will

vote for it if there is no possible way of escape are now coming back to the idea of an inheritance tax and there is considerable gossip to the effect that the inheritance tax would find much greater and more loyal support among Senators generally than any other direct tax proposition.

In his message to the Congress at the outset of the present extra session President Taft advocated the imposition of an inheritance tax as a means of raising revenue. Following this suggestion the House Committee on Ways and Means put into the tariff measure which is pre-

pared a provision for imposing graduated taxes on inheritances. The House retained that provision. When the tariff bill as amended by the Senate Committee on Finance was reported to the Senate the inheritance tax feature had been eliminated. The explanation of this

action was that the committee was anxious to provide tariff revision that would not embrace the imposition of any direct taxes. This failure of the committee to include the inheritance tax feature of the House bill was met by the Senate Republican insurgents and the Senate Democrats

Subsequently an alliance was formed between the Democrats and some of the Republican insurgents to support the Bailey-Cummins amendment, a compromise between propositions submitted for the Democrats by Senator Bailey

and for the Republican insurgents by Senator Cummins. Out of the danger which this Democratic-Insurgent combination threatened to the Republican organization of the Senate grew the prop-

cession to have the Finance Committee propose an amendment to tax the incomes of corporations and a joint resolution to enable the States to amend the